

MEALS TAX DISCUSSION POINTS
DEPARTMENT OF MANAGEMENT AND BUDGET
MAY 3, 2016

- Meals Tax referendum on **November 8, 2016**
- If successful, in **February 2017** the Board holds public hearing and adopts ordinance establishing the terms of the meals tax
- **February – end of June 2017** - restaurant industry and other establishments make changes necessary to enable them to collect the Meals Tax
- **July 1, 2017** – effective date of the Meals Tax
- To help offset the administrative costs associated with collecting the tax, a **3% discount** included in the ordinance for those businesses that file and remit on a timely basis

Projected Revenue from 4% Meals Tax	\$99 million
<u>Less 3% discount for businesses</u>	<u>(\$3 million)</u>
Remaining Meals Tax Revenue	\$96 million

Options for allocating the projected Meals Tax revenue

Option 1: 50%/50% Split Proposal

50% to Fairfax County Public Schools	\$48 million
50% to Capital Improvement Program	\$48 million

Option 2: 50%/25%/25% Split Proposal

50% to Fairfax County Public Schools	\$48 million
25% to Capital Improvement Program	\$24 million
25% to Property Tax Relief	\$24 million

Other?